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BERTRAM V. BURKE

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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/314,424  
Filing Date: May 18, 1999  
Appellant(s): BURKE, BERTRAM V.

\_\_\_\_\_  
Jeffrey H. Kamenetsky  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the Appeal Brief filed 01/30/2009 appealing from the Office action mailed 09/21/07.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

A substantially correct copy of appealed claims appears on pages A-K of the Appendix to the appellant's brief. The minor errors are as follows:

The claim identifiers such as "Original", "Previously Amended", "Previously Presented" and so on, related to the current status of the pending claims, are not present or indicated.

**(8) Evidence Relied Upon**

5,466,919	Hovakimian	11-1995
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"Flowers As a Double Gift" New York Times (May 05, 1990)

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

**Claims 1, 2, 7,8 and 31(including their dependent claims) are rejected under 35**

**U.S.C. 112, first paragraph**, as failing to comply with the written description requirement. The claim(s) contains subject matter, which was not described in the specification in such a way as to

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reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Regarding claims 1, 2, 7 and 8 (including their dependent claims), it appears that the specification does not explicitly support that **“the transaction card, related to the supporter’s ID, is not associated with a traditional credit card”**

Concerning claim 31 (including its dependent claims), in the step of “entering an ID and an amount spent by a supporter at the merchant in computer code, **the transaction occurring independent of a credit card transaction**”, it appears that the specification does not immediately support that **“the transaction does not involve a credit card transaction”**.

**Claims 1-28 and 30-46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hovakimian, US Patent 5, 466, 919 in view of an article "Flowers as a Double Gift", published in the New York times on May 5, 1990.**

As per claim 1-2, 4, 6, 7-10, 31, 25-28, 33, 34, 37, 42, Hovakimian discloses a patronage incentive system for enabling identified purchasers or customers (identified via a merchant's or bank credit card) to contribute or donate to their selected charities whenever they use a specific Bank or issuer's or merchant's credit card to pay for transactions at participating identified merchants' **or retailers’ POSes. In fact, the card merchant or card issuer of the credit card agrees to deduct a certain portion (calculated rebates) from each identified purchaser's or donor's transaction involving the use of the credit card and subsequently donate the accumulated portions or rebates to the charity or charities (organizations or non-profit entities) pre-selected by the identified purchaser or customer or donor in an**

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**effort to encourage the identified purchaser to use the credit card to pay for transactions at participating merchants' or vendors' or retailers' POSes (this is the credit card issuer's or the credit card merchant's money, not the donor's or purchaser's money), thereby yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer. Further, a "bank card-expedited system" (BAX or independent central clearinghouse) processes the card user's (donor's) purchase during a transaction at a participating or identified merchant's/vendor's POS, once the merchant's POS system establishes a connection with the bank card-expedited system or BAX or clearinghouse, and pays a previously decided or determined amount (calculated rebate) to the identified charity or charities. Finally, the customer's credit card bill is being reduced by an amount equal to the value of the rebate or accumulated rebates and the rebate or the accumulated rebates will be posted to the one or more non-profit organizations' accounts (here, the central clearinghouse or BAX is independent from or not being controlled by the non-profit organizations, the donors/purchasers and the vendors or retailers/merchants themselves) (See abstract; col. 1: 24-48; col. 2: 4 to col. 3: 63; figs. 1-3; claims 1-2).**

**Further, Hovakimian supports the steps of registering or enrolling the supporters or the credit card holders and their selected charities or recipients of the rebates and the participating (The central clearinghouse or the BAX registers or enrolls the different entities involved in the rebate system-without this step being performed or without the BAX knowledge of the different entities involved in the rebate system, the system cannot operate).**

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**Regarding claims 1, 2, 7, 8 in the step of “entering and recording an ID and an amount spent by a supporter at the merchant in a transaction, the ID incorporated into a transaction card, the transaction card not associated with a traditional credit card”, the ID can be read from or associated with any type of indicia, including any payment instrument like a credit/debit card, shopper’s card, store card, driver’s license, ID card or transaction card, that uniquely identifies the supporter during the transaction at the merchant. Hence, the type of ID (card) used by the supporter to identify himself and facilitate recording of his transaction is a matter of desires, which does not directly impact the functionality of the system or the entering and recording steps. In other words, the type of ID (card) used by the supporter to identify himself and facilitate recording of his transaction at the merchant is a non-functional and non-descriptive material.**

**Regarding claim 31, in the step of “entering an ID and an amount spent by a supporter at the merchant in computer code, the transaction occurring independent of a credit card transaction”, a rebate is given to the identified supporter by the identified merchant regardless of the method of payment, i.e. cash or debit/credit card, used by the supporter to pay for the transaction at the merchant’s location. To this end, the type of payment instrument or the method of payment, i.e. cash or debit/credit card, used by a supporter to pay for a transaction at a merchant is a matter of desires, which does not directly impact the functionality of the system or the providing of a rebate to the supporter by the merchant as a result of a purchase transaction at the merchant’s location. In other words, the type of payment instrument or the method of payment, i.e.**

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**cash or debit/credit card, used by a supporter to pay for a transaction at a merchant is a non-functional and non-descriptive material.**

Here, although Hovakimian either implicitly or explicitly supports most of the limitations of the claims, however, he does not expressly disclose, as recited in at least the independent claims, the steps of

**Providing** by the merchant or retailer, but not the card issuer, the rebates, as determined by the merchant or product vendor, to the donor or the purchaser, wherein the calculated rebates are to be deducted by the merchant from the donor's purchase and paid by the merchant to selected charitable organizations.

**Maintaining** a schedule of rebates, as determined by one or more merchants or vendors, due to one or more charities.

However, it is described in the article, "Flowers as a Double Gift", that a purchaser buying flowers at a Petal Power POS can earn a ten percent (10%) rebate that is deducted from the purchaser's bill and wherein the 10% rebate is donated to a charity selected by the purchaser or suggested by a Petal Power representative who maintains a charity list having more than one hundred non-profit organizations. Further, the purchaser's donated 10% rebate is tax deductible. Moreover, it is common practice in the industry for businesses or retailers or merchants, such as **Giant Food**, to encourage their customers to support their stores by donating a certain percentage, as determined by the merchants, of identified customers' transaction amounts (rebates), upon reaching a predetermined threshold or during a specific

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period of time or schedule, to schools or non-profit organizations previously selected by the customers. In addition, advertisers or sponsors periodically run a special promotion for a particular product or service, especially after a disaster such a flood, fire or hurricane to name a few, by promising to donate a certain amount of money associated with a customer's purchase of the advertised product or service to the RED CROSS or other non-profit organizations in an effort to help the victims.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the above disclosures into the Hovakimian's system so as to have participating merchants or product vendors or retailers share (with the credit card issuer) the cost associated with providing the rebates to the customers for purchases made at the participating merchants or product vendors, using the issuer's credit card, wherein the BAX system (central clearinghouse) receives the transaction data from the merchants' or retailers' POSes and calculates, in accordance with a predefined percentage as agreed upon by the credit card issuer and the merchants, the rebates due to the customers, wherein the merchants deduct their rebate contributions from the supporters purchases, and wherein the total calculated rebates accumulated from a plurality of different merchants or retailers and stored in a BAX system database are forwarded to the differently selected charities involved by the BAX system (central clearinghouse system) in conjunction with the plurality of merchants during a specific of time based on a predetermined schedule, thereby encouraging the customers to shop at the participating merchants and use the credit card to pay for purchases made at the different merchants' POSes and earn rebates jointly provided by both the merchants and the credit card



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issuer in accordance with a business agreement between the merchants and the credit card issuer, wherein each merchant can negotiate the percentage of the rebates he wants to provide and wherein the customers' transaction data are shared and used by the credit card issuer and the merchants for further marketing analysis, while yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer.

Finally, whether a merchant or a clearinghouse (BAX system) transmits the rebates to one or more charities or non-profit organizations is a matter of great convenience or desires, which does not directly or indirectly impact the utility or the functionality of the method or system by which rebates are provided to the customers and forwarded to his charities. In other words, this is a non-functional and non-descriptive material.

As per claims 21-24, Hovakimian discloses a patronage incentive system for enabling identified purchasers or customers (identified via a merchant's or bank credit card) to contribute or donate to their selected charities whenever they use a specific Bank or issuer's or merchant's credit card to pay for transactions at participating identified merchants' **or retailers' POSes. In fact, the card merchant or card issuer of the credit card agrees to deduct a certain portion (calculated rebates) from each identified purchaser's or donor's transaction involving the use of the credit card and subsequently donate the accumulated portions or rebates to the charity or charities (organizations or non-profit entities) pre-selected by the identified purchaser or customer or donor in an effort to encourage the identified purchaser to use the credit card to pay for transactions at participating**

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**merchants' or vendors' or retailers' POSes (this is the credit card issuer's or the credit card merchant's money, not the donor's or purchaser's money),** thereby yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer. **Further, a "bank card-expedited system" (BAX or independent central clearinghouse) processes the card user's (donor's) purchase during a transaction at a participating or identified merchant's/vendor's POS, once the merchant's POS system establishes a connection with the bank card-expedited system or BAX or clearinghouse, and pays a previously decided or determined amount (calculated rebate) to the identified charity or charities.** Finally, the customer's credit card bill is being reduced by an amount equal to the value of the rebate or accumulated rebates and the rebate or the accumulated rebates **will be posted to the one or more non-profit organizations' accounts (here, the central clearinghouse or BAX is independent from or not being controlled by the non-profit organizations, the donors/purchasers and the vendors or retailers/merchants themselves)** (See abstract; col. 1: 24-48; col. 2: 4 to col. 3: 63; figs. 1-3; claims 1-2).

Here, although Hovakimian either implicitly or explicitly supports most of the limitations of the claims, he does not expressly disclose the steps of

**Providing** by the merchant, not the card issuer, the rebates, as determined by the merchant or product vendor, to the donor or the purchaser, wherein the calculated rebates are to be deducted by the merchant from the donor's purchase and paid by the merchant to selected charitable organizations.

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**Maintaining** a schedule of rebates, as determined by one or more merchants, due to one or more charities.

However, it is described in the article, "Flowers as a Double Gift", that a purchaser buying flowers at a Petal Power POS can earn a ten percent (10%) rebate that is deducted from the purchaser's bill and wherein the 10% rebate is donated to a charity selected by the purchaser or suggested by a Petal Power representative who maintains a charity list having more than one hundred non-profit organizations. Finally, the purchaser's donated 10% rebate is tax deductible.

Moreover, it is common practice in the industry for businesses or retailers or merchants, such as **Giant Food**, to encourage their customers to support their stores by donating a certain percentage, as determined by the merchants, of the customers' transaction amounts (rebates), upon reaching a predetermined threshold or during a specific period of time or schedule, to schools or non-profit organizations previously selected by the customers. In addition, advertisers or sponsors periodically run a special promotion for a particular product or service, especially after a disaster such a flood, fire or hurricane to name a few, by promising to donate a certain amount of money associated with a customer's purchase of the advertised product or service to the RED CROSS or other non-profit organizations in an effort to help the victims.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the above disclosure into the Hovakimian's system so as to have participating merchants or product vendors share (with the credit card issuer) the cost

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associated with providing the rebates to the customers for purchases made at the participating merchants or product vendors, wherein the BAX system (clearinghouse) receives the transaction data from the merchants' POSes and calculates the rebates due the customers in accordance with a predefined percentage as agreed upon by the credit card issuer and the merchants and wherein the merchants deduct their rebate contributions from the supporters purchases and wherein the total rebates accumulated from a plurality of different merchants and stored in a BAX system database are forwarded to the differently selected charities involved by the BAX system (clearinghouse system) in conjunction with the plurality of merchants during a specific of time based on a predetermined schedule, thereby encouraging the customers to shop at the participating merchants and use the credit card to pay for purchases made at the different merchant POSes and earn rebates jointly provided by both the merchants and the credit card issuer in accordance with a business agreement between the merchants and the credit card issuer, wherein each merchant can negotiate the percentage of the rebates he wants to support and wherein the customers' transaction data are shared and used by the credit card issuer and the merchants for further marketing analysis, while yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer.

Finally, whether a merchant or a clearinghouse (BAX system) transmits the rebates to one or more charities or non-profit organizations is a matter of great convenience or desires, which does not directly or indirectly impact the utility or the functionality of the method or system by which rebates are provided to the customers and forwarded to his charities. In other words, this is a non-functional and non-descriptive material.

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As per claims 5, 13, 15, 17 19, 20, 32, 35, 36, 40, 41, 43-44 and 46, Hovakimian discloses a patronage incentive system for enabling identified purchasers or customers (identified via a merchant's or bank credit card) to contribute or donate to their selected charities whenever they use a specific Bank or issuer's or merchant's credit card to pay for transactions at participating identified merchants' or retailers' POSes. **In fact, the card merchant or card issuer of the credit card agrees to deduct a certain portion (calculated rebates) from each identified purchaser's or donor's transaction involving the use of the credit card and subsequently donate the accumulated portions or rebates to the charity or charities (organizations or non-profit entities) pre-selected by the identified purchaser or customer or donor in an effort to encourage the identified purchaser to use the credit card to pay for transactions at participating merchants' or vendors' or retailers' POSes (this is the credit card issuer's or the credit card merchant's money, not the donor's or purchaser's money), thereby yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer. Further, a "bank card-expedited system" (BAX or independent central clearinghouse) processes the card user's (donor's) purchase during a transaction at a participating or identified merchant's/vendor's POS, once the merchant's POS system establishes a connection with the bank card-expedited system or BAX or clearinghouse, and pays a previously decided or determined amount (calculated rebate) to the identified charity or charities. Finally, the customer's credit card bill is being reduced by an amount equal to the value of the rebate or accumulated rebates and the rebate or the accumulated rebates will be posted to the one or more non-profit organizations' accounts (here, the**

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**central clearinghouse or BAX is independent from or not being controlled by the non-profit organizations, the donors/purchasers and the vendors or retailers/merchants themselves)** (See abstract; col. 1: 24-48; col. 2: 4 to col. 3: 63; figs. 1-3; claims 1-2).

As per claims 11, 12, 14, 16, 18, 3, 13, 15, 17, 19, 38-39, 44, 30, 45 and 21-24, although Hovakimian supports the steps of registering supporters or the credit card holders and their selected charities or recipients of the rebates, participating merchants and providing donated rebate reports to supporters, **he does not expressly disclose the following-**

**Entering identification** of supporters by enrolling the supporters of the non-profit organizations via remote terminals located at the non-profit organizations' sites or located at the supporters' sites, wherein the supporters use their remote terminals to register themselves and their selected charities to receive donated rebates and download reports on donated rebate payments and transaction activity and wherein the enrollment data are forwarded to the clearinghouse database.

**The non-profits enroll** or register with supporters and merchants and receive, using their remote terminals, downloaded rebate payments and reports on transaction activity and donated rebates.

**Remote terminals** available at the merchants' sites and used to record identification associated with supporters and non-profits and receive transmitted reports on transactional activity and rebates from the clearinghouse.

However, a number of well-known processes to register supporters and their selected charities are readily available and well documented in the prior art. For example, a plurality of collection stations are installed within a POS and used by supporters to choose charities to which a contribution is destined. Displays or monitors coupled to these stations are utilized for displaying information with respect to premiums available to non-profits and download contribution information. The stations are connected to a central station or (clearinghouse) via a communication means. The central station also communicates with individual charity system to provide information concerning funds collected on behalf of the non-profits, wherein the funds can be transmitted to the charity systems or their banks. In another example, donation cards are distributed to potential donors by a variety of conventional means such as newspapers or mail or made available at store POSes, financial institutions or other establishments. The donors present the cards to a computer-based cash register or automatic teller machine, where the cards enable the donors to select one or more charities or donees.

Further, Hovakimian discloses that it is understood by those skilled in the art that various changes may be made and added to the process and wherein these changes and alternatives are considered to be within the spirit or scope of the present system (col. 3: 64 to col. 4: 2). In other words, whether the supporters register with the system or clearinghouse and select one or more charities to receive the rebates by filling out an off-line application (supported by Hovakimian) or an online application upon accessing the BAX or clearinghouse system using their own home remote terminals or PCs or remote terminals installed at the charities locations while being present at the charities' locations is a matter of great

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convenience or desires, which does not directly or indirectly impact the utility or functionality of the system.

Finally, the manner in which the non-profit organizations register themselves with the supporters and merchants is a matter of desires, which do not directly or indirectly impact the functionality of the systems.

The above findings are well within the scope and the spirit of the Hovakimian's system, as would have concluded one of ordinary skilled in the art.

Therefore, an ordinary skilled artisan would have been motivated in 1998 with the explosion of client-server and Internet technologies, without reading the present Application, to incorporate the above disclosures into the Hovakimian's system so as to have supporters, charities and merchants use remote terminals available at the supporters' sites, charities' locations and merchants' POSes respectively and linked to the BAX or clearinghouse system connected over a communication means such as the Internet, wherein upon accessing using their home remote terminals (or non-profits or merchants' remote terminals) the BAX system the supporters can register with the system by filling out an online or electronic application where they can select one or more charities to receive the rebates from the BAX system provided on behalf of the supporters and subsequently download readouts on their shopping activity and donated rebate payments and wherein the non-profits or charities use their remote terminals to solicit supporters, register with merchants where the supporters will shop and to receive download reports on shopping activity and donated rebate payments and even receive the accumulated rebate payments from the BAX or clearinghouse system and wherein the



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merchants record via their remote terminals in a database supporters' and non-profits' identifications and transmitted rebates and shopping activity readouts from the BAX or clearinghouse database, thereby rendering the system more flexible by enabling supporters, merchants and charities to register online with the system and communicate with one another in an interactive manner, while making the system readily available and accessible over the Internet to existing or potential supporters, existing or potential non-profits and existing or potential merchants throughout the world twenty-four hours a day and seven days a week, wherein information including transaction data and rebate payments reports and registration data is conveyed, shared and update by the different parties involved in real-time.

**The following is a quotation of 35 U.S.C. 103 (a) which forms the basis for all obviousness rejections set forth in this Office action:**

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1- 2, 7- 8 and 31 are rejected under 35 U.S.C. 103(a) as being unpatentable over** an article "Flowers as a Double Gift", published in the New York times on May 5, 1990 in view of Hovakimian, US Patent 5, 466, 919.

As per claims 1-2, 7-8 and 31, it is described in the article, "Flowers as a Double Gift", that a purchaser buying flowers at a Petal Power POS (merchant's POS) can earn a ten percent (10%) rebate that is deducted from the purchaser's bill and wherein the 10% rebate is donated to a charity selected by the purchaser or suggested by a Petal Power representative who maintains a charity list having more than one hundred non-profit organizations. Finally, the purchaser's donated 10% rebate is tax deductible (See whole article).

**Regarding claims 1, 2, 7, 8 in the step of “entering and recording an ID and an amount spent by a supporter at the merchant in a transaction, the ID incorporated into a transaction card, the transaction card not associated with a traditional credit card”, the ID can be read from or associated with any type of indicia, including any payment instrument like a credit/debit card, shopper’s card, store card, driver’s license, ID card or transaction card, that uniquely identifies the supporter during the transaction at the merchant. Hence, the type of ID (card) used by the supporter to identify himself and facilitate recording of his transaction is a matter of desires, which does not directly impact the functionality of the system or the entering and recording steps. In other words, the type of ID (card) used by the supporter to identify himself and facilitate recording of his transaction at the merchant is a non-functional and non-descriptive material.**

**Regarding claim 31, in the step of “entering an ID and an amount spent by a supporter at the merchant in computer code, the transaction occurring independent of a credit card transaction”, a rebate is given to the identified supporter by the identified merchant regardless of the method of payment, i.e. cash or debit/credit card, used by the supporter to pay for the transaction at the merchant’s location. To this end, the type of**

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**payment instrument or the method of payment, i.e. cash or debit/credit card, used by a supporter to pay for a transaction at a merchant is a matter of desires, which does not directly impact the functionality of the system or the providing of a rebate to the supporter by the merchant as a result of a purchase transaction at the merchant's location. In other words, the type of payment instrument or the method of payment, i.e. cash or debit/credit card, used by a supporter to pay for a transaction at a merchant is a non-functional and non-descriptive material.**

Here, although it is expected that, with stores in more than 73 cities providing rebates to customers' selected charities, a centralized process or redemption center should be established to process the purchasers' transactions and deduct the 10% rebates from the transactions and wherein the accumulated rebates are subsequently forwarded to the non-profits, **however the article does not expressly disclose using a clearinghouse to perform or manage the various functions or tasks related to the calculating, deducting, providing the donated rebates to the selected charities and enrolling the different entities, i.e. the supporters, the charities and the participating merchants, involved in the rebate program.**

However, as per claims 1, 2, 7-8 and 31, Hovakimian discloses a patronage incentive system for enabling identified purchasers or customers (identified via a merchant's or bank credit card) to contribute or donate to their selected charities whenever they use a specific Bank or issuer's or merchant's credit card to pay for transactions at participating identified

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merchants' or retailers' POSes. In fact, the card merchant or card issuer of the credit card agrees to deduct a certain portion (calculated rebates) from each identified purchaser's or donor's transaction involving the use of the credit card and subsequently donate the accumulated portions or rebates to the charity or charities (organizations or non-profit entities) pre-selected by the identified purchaser or customer or donor in an effort to encourage the identified purchaser to use the credit card to pay for transactions at participating merchants' or vendors' or retailers' POSes (this is the credit card issuer's or the credit card merchant's money, not the donor's or purchaser's money), thereby yielding to immediate customer's gratification and customer or credit card holder loyalty and retention, which helps retain the customer in an era where it is critical to keep an existing customer. Further, a "bank card-expedited system" (BAX or independent central clearinghouse) processes the card user's (donor's) purchase during a transaction at a participating or identified merchant's/vendor's POS, once the merchant's POS system establishes a connection with the bank card-expedited system or BAX or clearinghouse, and pays a previously decided or determined amount (calculated rebate) to the identified charity or charities. Finally, the customer's credit card bill is being reduced by an amount equal to the value of the rebate or accumulated rebates and the rebate or the accumulated rebates will be posted to the one or more non-profit organizations' accounts (here, the central clearinghouse or BAX is independent from or not being controlled by the non-profit organizations, the donors/purchasers and the vendors or retailers/merchants themselves) (See abstract; col. 1: 24-48; col. 2: 4 to col. 3: 63; figs. 1-3; claims 1-2).

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**Further, Hovakimian supports the steps of registering or enrolling the supporters or the credit card holders and their selected charities or recipients of the rebates and the participating (The central clearinghouse or the BAX registers or enrolls the different entities involved in the rebate system-without this step being performed or without the BAX knowledge of the different entities involved in the rebate system, the system cannot operate).**

Moreover, using a clearinghouse or a central processing system or a processing facility or redemption center to clear or process, for example, coupons or other incentives distributed at a plurality of retail store POSes online or off-line is old and well established in the industry for many years (no further disclosure is necessary here or see US Patent 5, 905, 246).

**Finally, having a third party, such as a clearinghouse, register or enroll the different entities, i.e. the merchants, the supporters/donors and the non-profit organizations, involved in the incentive program instead of having the store (POS) perform the various mundane tasks including enrolling the different entities (out-sourcing the registration process to a third party or clearinghouse) is a matter of desires.**

Therefore, an ordinary skilled artisan would have been motivated at the time of the invention without reading the Instant Application to incorporate the above disclosures into the aforementioned article so as to have a clearinghouse or processing facility (BAX) register/enroll the different entities involved in the rebate program and receive the customers' transactions in real-time from the different merchant POSes in order to calculate and deduct the 10% rebates off the customers' bills and subsequently forward the accumulated rebates to

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one or more charities selected by the customers, thereby simplifying and synchronizing the process by removing the duties or mundane tasks of enrolling/registering the different entities involved in the rebate program, collecting and processing the rebates from the individual Petal Power store personnel who can now fully concentrate on the task of running their stores and performing the daily activities associated with them, while developing new business strategies, **rather than spending considerable amount of time executing mundane tasks related to enrolling the different entities and processing the rebates.**

#### **(10) Response to Argument**

##### **112(1) Rejection**

Here, the Appellant disagrees with the rejection and states that the specification does support the recitation that “the transaction card, related to the supporter’s ID, is not associated with a traditional credit card” and cites paragraphs [0019], [0025] and [0035] from the PG PUB version of the specification in support for disclosing that **a nonprofit component (NC) orders plastic transaction cards (TC) for its supporters to use at merchant locations**. Non-profit organizers, unlike financial institutions, cannot issue credits and that the specification ([0025]), continues the Appellant, **compares the transaction card to a credit card** (emphasis added), thereby implying that the TC of Appellant’s system is not a credit card. The Examiner completely and respectfully disagrees with the Appellant’s findings. Contrary to the Appellant’s findings, **a non-profit component (NC) orders plastic transaction cards (TC) for its supporters to use at merchant locations** is not remotely similar to “the transaction card, related to the supporter’s ID, is not associated with a traditional credit card” or “...the transaction occurring independent of a credit card transaction” (i.e. the transaction does

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**not involve a credit card transaction).** Rather, the ordered plastic cards can be any type of plastic cards.

In general, none of the portions, namely paragraphs [0019], [0025] and [0035] as seen below, cited by the Appellant shows that **“the transaction card, related to the supporter’s ID, is not associated with a traditional credit card”** as recited in independent claims 1, 2, 7 and 8 or **“...the transaction occurring independent of a credit card transaction”** (i.e. **the transaction does not involve a credit card transaction**) as featured in independent claim 31:

**[0019]** In FIG. 1, the nonprofit component(s) (NC) uses an ETx to communicate with the CC. The ETx allows the NC to: (a.) enroll in the program as a nonprofit, (b.) obtain a nonprofit account number (ID), (c.) obtain a personal identification number (PIN) needed to access its account, (d.) **enroll supporters**, (e.) **order plastic transaction cards (TC) for its supporters to use at MC locations**, (f.) enroll with one or more MC's where their supporters will shop, and (g.) request activity reports, rebate reports, and other information stored in the CC.

**[0025]** In FIG. 2, **the system can use a transactional plastic card (TC), the size of traditional credit card, with either a mag stripe in configuration and/or with a bar code in configuration.** In addition to the above configuration, the system ID number could be entered into ETx by keypad, smart card, radio frequency (RF) system, or a variety of other technical means.

**[0035]** In an embodiment of the invention supporters can enroll in the system by using an ETx located at a nonprofit. Under such circumstances, the NC would provide the supporter with a TC.

As seen above, none of the above passages implicitly or explicitly shows **“the transaction card, related to the supporter’s ID, is not associated with a traditional credit**

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**card” or “...the transaction occurring independent of a credit card transaction” (i.e. the transaction does not involve a credit card transaction).**

In other words, contrary to the Appellant’s conclusion, the specification or at least the cited portions does not expressly support the notion that the transaction card or plastic card (TC) given to a donor, to participate in the charitable contribution, is different from a credit card. It appears instead that the above claim language was explicitly or improperly drafted in hindsight just to overcome the Hovakimian’s reference.

### **Prior Art Rejection**

In general, Appellant argues, on page 9 of the Brief, that **in Hovakimian the transaction occurs only via the use of a credit card** (see the abstract and claim 1 of Hovakimian’s), while claim 1 of the present invention provides a computer system whereby at least an identification number containing information relating to the identity of a supporter is incorporated into a transaction card, **which is not associated with a traditional credit card of the type used by Hovakimian since in Hovakimian the transaction occurs only via the use of a credit card.** In other words, Appellant contends that, for the system of Hovakimian to be used, the supporter (donor) must use a credit card for the transaction at the merchant's entry terminal, **which requires the usual pre-qualification screening process that one must go through in order to obtain a credit card, while, by contrast, Appellant’s claimed rebate system does not require the pre-qualification process of obtaining a credit card as featured in at least claim 1 for requiring a "transaction card.., not associated with a traditional credit card" to be used to supply the identification information at the POS terminal.** Thus, continues the Appellant, the



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supporter in Appellant's system need not be pre-approved or even use a credit card in order to implement the claimed rebate system.

Here, in reply, the Examiner respectfully and completely disagrees with the Appellant's findings. First, as seen above in the 112(1) response, the specification or the portions cited by the Appellant does not implicitly or explicitly support that **“the transaction card, related to the supporter's ID, is not associated with a traditional credit card”** or **“...the transaction occurring independent of a credit card transaction”** (i.e. **the transaction does not involve a credit card transaction**). Thus, broadly interpreted, the dual use of a credit card in the Hovakimian's system as an identification means related to a supporter (donor) and a payment method to pay for transaction at a merchant is deemed appropriate. Further, the Examiner notes that the claimed invention is not expressly limited to using “cash-only” transactions as the only qualified transactions, while eliminating debit card or credit card or check based transactions. Indeed, using one specific payment method as a transaction qualifier, while eliminating others, is not part of the claimed invention. It appears rather that the Appellant is improperly reading specific limitations from the specification into the claimed invention. To this end, the argued limitations are not necessarily claimed. Contrary to the Appellant's conclusion, both the claimed transaction card (TC) and the prior art credit card perform similar functions or are used as identification means for containing identification data useful in identifying and/or tracking the supporters (donors) during transactions at the merchants.

Second, contrary to the Appellant's remarks, in both the claimed transaction card (TC) and the prior art (credit card), the recipient of a transaction card or a credit card is pre-qualified or pre-approved. In the latter case or credit card case, it is well known in the art to pre-approve or

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pre-qualify a recipient to receive a credit card. That fact is not under review here and was not challenged by the Appellant. Further, in the former case or transaction card (TC), it is herein contemplated that the recipient is pre-approved or pre-qualified before a TC (donor's card) is mailed (provided) to the recipient, thereby avoiding inappropriate solicitation or asking minors or children to participate in the charitable contribution system. For example, before mailing or providing a transaction cards (TC) to recipients or potential donors, the system operator should make sure that the transaction cards are not being sent to minors or five-year old children to thereby prevent a PR (public relation) disaster or embarrassment resulting from sending or providing transaction cards to minors or children. In fact, it is unlawful to solicit or conduct any kind of binding business transaction, as described here, with minors or children. Thus, before transaction cards are sent or provided to recipients or potential supporters/donors, the system operator has to make sure that those transaction cards are not sent or provided to minors or children. That is being referred to in the art as pre-qualifying or pre-approving the recipients (or potential supporters or donors) of the transaction cards. Having said that, it is implicitly supported that the recipients (or potential supporters or donors) of the transaction cards are pre-approved or pre-qualified before the transaction cards are mailed or provided to them. Further, the Examiner notes that the claimed invention never recites the step of "pre-approving or pre-qualifying recipients of the transaction cards". To this end, it appears that the Appellant is improperly reading specific limitations from the specification into the claimed invention. In other words, the argued limitations are not necessarily claimed.

**Additionally**, the claimed invention or at least claim 1 recites **a clearinghouse** that enrolls all three components of the claimed system: the nonprofit organizations, the supporters

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and the merchants, that is one entity or the central clearinghouse enrolling all three of those components. **This centralized computer processing system is not disclosed or suggested in Hovakimian.** However, the Examiner notes in response that Hovakimian discloses, inter alia, a “bank card-expedited system” or BAX or independent central clearinghouse, which performs the functions of a (independent) central clearinghouse for processing a card user's (donor's) purchase during a transaction at a participating or identified merchant's/vendor's POS, once the merchant's POS system establishes a connection with the bank card-expedited system or BAX or clearinghouse and paying a previously decided or determined amount (calculated rebate) to the identified charity or charities resulting from an identified customer's or card bearer's purchase at the identified merchant or POS (fig.3). Here, the central clearinghouse or BAX is independent from or not being controlled by the non-profit organizations, the donors/purchasers and the vendors or retailers/merchants themselves. Thus, Hovakimian supports the steps of registering or enrolling the supporters/donors or the credit card holders, their selected charities or recipients of the rebates and the participating merchants or retailers. Without this registration or enrollment process, the system cannot function since the “BAX” will not be able to track the donors' transactions at various merchants', determining the accumulated rebates due and periodically crediting the non-profits' accounts or selected charities accounts by providing to them an amount equal to the total accumulated value of the collected rebates, as one of ordinary skills in the art would have concluded at the time of the invention. Having said that, Hovakimian implicitly supports the use of a (independent) central clearinghouse for performing the various mundane tasks involved in the charitable contribution system. See abstract; col. 1: 24-48; col. 2: 4 to col. 3: 63; figs. 1-3; claims 1-2.

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Hence, the Appellant has concluded that Hovakimian and Flowers, either alone or in combination, do not teach each of the elements of the claimed invention and thus, they cannot constitute 35 U.S.C. § 103 prior art with respect to independent claims 1, 2, 7, 8 and 31.

However, the Examiner notes, in view of the foregoing response, that the combination of prior art addresses all the claim elements since Hovakimian alone implicitly or explicitly discloses or supports the argued limitations.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/JJ/

/Jean Janvier/

04/26/09

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